



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-041]

Truck and Bus Tires from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that certain producers and/or exporters of truck and bus tires from the People's Republic of China (China), received countervailable subsidies during the period of review (POR), February 15, 2019, through December 31, 2019.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Theodore Pearson or Dusten Hom, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2631 and (202) 482-5075, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* on June 25, 2021, and invited comments from interested parties.¹ On October 1, 2021, Commerce extended the deadline for the final results of this administrative review until December 17, 2021.² For a complete description of the

¹ See *Truck and Bus Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, and Rescission of Review, in Part; 2019*, 86 FR 33644 (June 25, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (Preliminary Decision Memorandum).

² See Memorandum, "Truck and Bus Tires from the People's Republic of China: Extension of Deadline for Final Results of Countervailing Duty Administrative Review; 2019," dated October 1, 2021.

events that occurred since the *Preliminary Results*, *see* the Issues and Decision Memorandum.³

Scope of the Order

The products covered by the order are truck and bus tires from China. For a complete description of the scope of this order, *see* the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum. A list of these issues is provided in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the Preliminary Results

Based on the comments received from interested parties, we revised the calculation of the net countervailable subsidy rates for all respondents. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce's conclusions, including any determination that relied upon the use of facts otherwise

³ *See* Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review of Truck and Bus Tires from the People's Republic of China; 2019," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum),

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

available, including, adverse facts available, pursuant to sections 776(a) and (b) of the Act.

Rate for Non-Selected Companies Under Review

There are 41 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these companies, because the rates calculated for the mandatory respondents, Qingdao Ge Rui Da Rubber Co., Ltd. (GRT) and Prinx Chengshan (Shandong) Tire Co., Ltd. (PCT), were above *de minimis* and not based entirely on facts available, we are applying to the non-selected companies the average of the net subsidy rates calculated for GRT and PCT, which we calculated using the publicly ranged sales data submitted by GRT and PCT. This methodology to establish the all-others subsidy rate is consistent with our practice and section 705(c)(5)(A) of the Act, which governs the calculation of the all-others rate in investigations. For further information on the calculation of the non-selected respondent rate, refer to the section in the Issues and Decision Memorandum entitled “Non-Selected Companies Under Review.” For a list of non-selected companies, *see* Appendix II.

Final Results of Review

We determine the following net countervailable subsidy rates for the POR February 15, 2019, through December 31, 2019:

Producer/Exporter/	Subsidy Rate (percent <i>ad valorem</i>)
Prinx Chengshan (Shandong) Tire Co., Ltd. ⁵	17.47
Qingdao Ge Rui Da Rubber Co., Ltd. ⁶	14.77
Review-Specific Average Rate Applicable to the Following Companies	
Other Respondents ⁷	15.67

Disclosure

We intend to disclose to interested parties the calculations and analysis performed for these final results of this review within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

Assessment

In accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of this publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above for the above-listed companies with regard to shipments of subject merchandise entered, or withdrawn

⁵ Cross-owned affiliates are Chengshan Group Co., Ltd.; Shanghai Chengzhan Information and Technology Center; Prinx Chengshan (Qingdao) Industrial Research & Design Co., Ltd.; and Shandong Prinx Chengshan Tire Technology Research Co., Ltd.

⁶ Cross-owned affiliates are Cooper Tire (China) Investment Co. Ltd.; Cooper (Kunshan) Tire Co., Ltd.; and Qingdao Yiyuan Investment Co., Ltd.

⁷ See Appendix II.

from warehouse, for consumption on or after the date of publication of these final results of review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is sanctionable violation.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.221(b)(5).

Dated: December 17, 2021.

Ryan Majerus,
Deputy Assistant Secretary
for Policy and Negotiations,
Performing the Non-Exclusive Functions and Duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Non-Selected Companies Under Review
- V. Subsidies Valuation
- VI. Interest Rate Benchmark, Discount Rates, Input, Electricity, and Land Benchmarks
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Analysis of Programs
- IX. Analysis of Comments
 - Comment 1: Whether Commerce Should Continue to Find the Export Buyer's Credit Program Countervailable
 - Comment 2: Whether Certain "Other Subsidies" Programs Are Countervailable
 - Comment 3: Whether the Provision of Electricity for Less Than Adequate Remuneration (LTAR) Is Specific
 - Comment 4: Whether the Provision of Inputs for LTAR is Countervailable
 - Comment 5: Whether Commerce Should Make Certain Modifications to the Benchmark for the Provision of Electricity for LTAR
 - Comment 6: Whether Commerce Should Remove Ocean Freight from the Benchmark for the Provision of Nylon Cord for LTAR
 - Comment 7: Whether Commerce Should Correct Certain Errors with the Benchmark for Synthetic Rubber and Butadiene for LTAR
Whether Commerce Should Make Certain Modifications to the Benchmark for the Provision of Electricity for LTAR
 - Comment 8: Whether Commerce Should Determine the Synthetic Rubber Benchmark on a Grade-Specific Basis
 - Comment 9: Whether Commerce Should Use Producer Price Index (PPI) to Calculate its Land Benchmark
 - Comment 10: Whether Commerce Correctly Applied AFA to the Provision of Land-Use Rights for LTAR and PCT's Land-Use Rights Purchases
 - Comment 11: Whether Commerce Should Correct an Issue with Negative Value Input Shipments
 - Comment 12: Whether Commerce Should Correct the Sales Denominator for PCT and CSG for Years Prior to 2014
 - Comment 13: Whether Commerce Should Make Corrections to Certain Other Subsidy Programs for PCT
 - Comment 14: Whether Commerce Should Find GRT to be Uncreditworthy from 2017-2019
 - Comment 15: Whether Commerce Should Rely on Adverse Facts Available (AFA) for the "Authority" Finding With Respect to Qingdao Yiyuan's Land Contracts
 - Comment 16: Whether Commerce Should Use the Net Benefit of GRT's Boiler Treatment Program to determine the Countervailable Subsidy
 - Comment 17: Whether Commerce Should Modify its Calculation of CKT's Provision of Synthetic Rubber Benefit for LTAR
 - Comment 18: Whether Commerce Should Correct its Government Policy Lending Calculation
 - Comment 19: Whether Commerce Should Correct GRT's Electricity for LTAR Calculation

X. Recommendation

Appendix II

List of Companies Not Individually Examined

1. Aeolus Tyre Co., Ltd.
2. Chaoyang Long March Tyre Co., Ltd.
3. Doublestar International Trading (Hongkong) Co., Limited
4. Giti Radial Tire (Anhui) Company
5. Giti Tire (Fujian) Company Ltd.
6. Giti Tire Global Trading Pte Ltd.
7. Guangrao Kaichi Trading Co., Ltd.
8. Guizhou Tyre Co., Ltd.
9. Guizhou Tyre Import and Export Co., Ltd.
10. Hefei Wanli Tire Co., Ltd.
11. Hongtyre Group Co.
12. Jiangsu General Science Technology Co., Ltd.
13. Koryo International Industrial Limited
14. Maxon Int'l Co., Limited
15. Megalith Industrial Group Co., Limited
16. Qingdao Awesome International Trade Co., Ltd
17. Qingdao Doublestar Overseas Trading Co., Ltd.
18. Qingdao Doublestar Tire Industrial Co., Ltd.
19. Qingdao Fullrun Tyre Corp. Ltd
20. Qingdao Jinhaoyang International Co., Ltd.
21. Qingdao Keter International Co., Limited
22. Qingdao Lakesea Tyre Co., Ltd
23. Qingdao Powerich Tyre Co., Ltd.
24. Qingdao Shinego Tire Tech Co., Limited (also known as Qingdao Shinego Tyre Tech Co., Ltd.)
25. Qingdao Sunfulcess Tyre Co., Ltd.
26. Shandong Hablead Rubber Co., Ltd.
27. Shandong Haohua Tire Co., Ltd.
28. Shandong Huasheng Rubber Co., Ltd
29. Shandong Hugerubber Co., Ltd.
30. Shandong Kaixuan Rubber Co., Ltd
31. Shandong Province Sanli Tire Manufactured Co., Ltd
32. Shandong Qilun Rubber Co., Ltd.
33. Shandong Transtone Tyre Co., Ltd
34. Shandong Wanda Boto Tyre Co., Ltd.
35. Shandong Yongsheng Rubber Group Co., Ltd.
36. Shanghai Huayi Group Corporation Limited
37. Shengtai Tyre Co., Ltd.
38. Sichuan Kalevei Technology Co., Ltd.
39. Tongli Tyre Co., Ltd.
40. Triangle Tyre Co., Ltd.
41. Weifang Shunfuchang Rubber and Plastic Products Co., Ltd.

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